fact that a question of an entirely different character was presented to the court in that case. In the principal case the district court took it upon itself to investigate all the details of the organization of the plaintiff company, in spite of the fact that the declaration alleged that the said company was a corporation duly organized and existing under the laws of Ohio. Such an allegation submitted the question of incorporation and organization as an issuable fact. Furthermore, as the suit pertained to a controversy concerning a patent right, it was one which was cognizable only in the United States courts; and no question of diversity of citizenship was involved. Hence, the declaration set forth a case over which the district court had jurisdiction, and it seems that it should have allowed a trial on the merits. On the other hand, the declaration in *The Fire-Proof Hotel Co.* case disclosed on its face that the plaintiff was a partnership and not a corporation; and, as the jurisdiction of the court depended entirely upon diversity of citizenship, it dismissed the case of its own motion. The plaintiff's own admissions were the sole cause of the action taken by the court. For similar cases see, *Louisville, Cincinnati & Charleston R. Co.* v. *Leston,* 2 How. 497; *Ohio & Miss. R. R. Co.* v. *Wheeler,* 1 Black 286; *Steamship Co.* v. *Tergman,* 106 U. S. 118; *Chapman* v. *Barney,* 129 U. S. 677. In the principal case the district court did not have the benefit of such admissions, and it seems that the circuit court of appeals was correct in its conclusion that the powers of the United States courts have not been extended or enlarged as regards the question raised in *The Fire-Proof Hotel Co.* case by virtue of § 37 of the JUDICIAL CODE (1875), on which the district court based its decision.

CORPORATIONS.—RIGHT OF STATE TO TAX FOREIGN CORPORATIONS FOR PRIVILEGE OF DOING INTRASTATE BUSINESS.—Defendant company, an Ohio corporation, filled orders for its machines, which orders were solicited by its agent in the state of Virginia. As an incident to his duties of soliciting such orders, this agent kept in stock ribbons, repairs, paper, etc., which he sold to customers. Furthermore, he kept machines on exhibit; exchanged new machines for old ones; rented new or used machines whenever the opportunity presented itself; and entered into "repair contracts" with the customers, the company employing a mechanic whose duty it was to make all necessary repairs. All contracts closed and all sales made by the agent were required to be reported to and approved by the home office. *Held,* that the company was engaged in intrastate business and liable to the payment of a statutory fine imposed for failure to pay a license fee. *Dalton Adding Machine Co.* v. *Comm.* (Va. 1916), 88 S. E. 167.

Manufacturing corporations and all other corporations whose business is of a local and domestic nature cannot carry on their business in another state without submitting to whatever conditions precedent the state may see fit to impose. *Bank of Augusta* v. *Earle,* 13 Pet. 519; *Paul* v. *Virginia,* 8 Wall. 168; *Liverpool Ins. Co.* v. *Mass.,* 10 Wall 566; *Cooper Mfg. Co.* v. *Ferguson,* 113 U. S. 727; *Phil. Fire Ass'n.* v. *New York,* 119 U. S. 110. The paramount question in each case, however, calls for an investigation

of the character of the business being transacted by the corporation within the state; if it is interstate in nature, the state must not interfere; but if it is purely intrastate it may prescribe rules and regulations pertaining to it., The court in the principal case took into consideration the sum total of the business which the company was transacting within that state, and it seems that it was clearly justified in adopting this method of investigation. *Kehrer* v. *Stewart,* 197 U. S. 60, 25 Sup. Ct. 403, 49 L. Ed. 663; *Brown* v. *Houston,* 114 U. S. 622, 29 L. Ed. 257, 5 Sup. Ct. 1091; *Armour Packing Co.* v. *Lacy,* 200 U. S. 226, 26 Sup. Ct. 232, 56 L. Ed. 451. Exchanging old machines for new ones and disposing of the former in the state where the contract was made; supplying customers with necessary repairs, ribbons, paper, etc.; and renting or selling within the state, machines rejected by the vendee, are all acts which under certain and particular circumstances might constitute the doing of a domestic business merely incidental to interstate business. *Crutcher* v. *Kentucky,* 141 U. S. 47, 35 L. Ed. 649, 11 Sup. Ct. 851; *Kehrer* v. *Stewart,* 197 U. S. 60, 25 Sup. Ct. 403, 49 L. Ed. 663. In the principal case, however, it was discovered that the corporation was doing all of these things, and, furthermore, it was actually shipping the supplies into the state where they came to rest and were co-mingled with other commodities of like character being offered for sale by the retail merchants of the state. The action of the court seems to be substantiated by authority. *Brown* v. *Houston,* 114 U. S. 622, 5 Sup. Ct. 1091, 29 L. Ed. 257; *Woodruff* v. *Parham,* 8 Wall. 123, 19 L. Ed. 382; *Austin* v. *Tenn.,* 179 U. S. 343, 21 Sup. Ct. 132, 45 L. Ed. 224; *Leisy* v. *Hardin,* 135 U. S. 100, 10 Sup. Ct. 681, 34 L. Ed. 128.

COVENANTS.—WHO HAS RIGHT TO ENFORCE.—The owner of four adjacent lots, who also owned other property across the street, conveyed the west end lot to plaintiff Wright, and the east end lot to another party, by deeds containing restrictive covenants. The two middle lots were conveyed to one Garlock subject to restrictive covenants. Garlock conveyed one lot to defendant and the other to plaintiff Beeman and his deeds contained the same covenants as were in the deeds to him from his grantor. The covenants in the different deeds were not identical but were substantially alike in fixing a building line and in requiring that only private residences above a stated cost should be erected on the lots. Plaintiffs seek to enjoin defendant from using her lot for rooming and boarding purposes. *Held*: (three justices dissenting) that plaintiffs had no cause of action, as the covenants were not for the benefit of their lots. *Wright* v. *Pfrimmer* (Neb. 1916), 156 N. W. 1060.

As a general rule, in order to entitle the owner of a lot to enforce the restrictions in a deed under which the defendant claims, but to which he is not a party, he must show that the restriction was inserted to create an easement in favor of his lot, and that the defendant purchased the lot with notice. *Renals* v. *Cowlishaw,* 9 Ch. Div. 125, 11 id. 866; *Sharp* v. *Ropes,* 110 Mass. 381; *Lowell Sav. Inst.* v. *City of Lowell,* 153 Mass. 530; *Equitable Life Assur. Soc.* v. *Brennan,* 148 N. Y. 661. In the principal